

## SCHEDULE CC — CONSOLIDATED COMMITMENTS AND CONTINGENCIES

Throughout these instructions, **you** and **your** refers to the reporting savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.

### COMMITMENTS OUTSTANDING

Report all commitments outstanding that will close in your name. In the case of securities held by an agent, report commitments made on your behalf.

In reporting commitments to originate loans on CC280 through CC310, do not include the portion of refinancings, including wrap-around loans, that will not involve your disbursing cash. Report only the amount you will disburse. Do not report the gross commitment amount.

Report commitments to purchase or sell loans or securities on CC320 through CC375 on a gross basis. Do not net commitments to sell against commitments to purchase, even if the commitments are for the same or similar investments and even if no cash will be disbursed or received. For example, report a commitment to swap mortgages for mortgage pool securities as a commitment to sell mortgages and purchase mortgage pool securities, even though no cash will be involved in the transaction. Do not include resale agreements accounted for as financings.

### UNDISBURSED BALANCE OF LOANS CLOSED (LOANS-IN-PROCESS EXCLUDING LINES OF CREDIT)

Report loan distributions on loans closed, but not disbursed.

**Include:**

1. All undisbursed amounts relating to construction loans reported on SC230, SC235, and SC240.
2. Loans disbursed according to a specified schedule or upon completion of specified terms.
3. Loans awaiting completion of certain contractual terms prior to disbursal.
4. Loans where you have executed the documents but have not yet disbursed loan proceeds.

**Do not include:**

1. The undisbursed portion of open-ended lines of credit, including home equity loans.
2. Borrower's advances or deposits that are reported on SC710, Deposits, or SC783, Escrows.

**CC105: Mortgage Construction Loans**

Report undisbursed amounts (loans-in-process) on mortgage construction loans of the types reported on SC230 through SC240.

**CC115: Other Mortgage Loans**

Report the undisbursed balance of closed-end permanent mortgage loans of the types reported on SC254 through SC265.

**CC125: Nonmortgage Loans**

Report the undisbursed balance of closed-end nonmortgage loans of the types reported on SC300 through SC330.

**TO ORIGINATE MORTGAGES SECURED BY**

Report outstanding commitments made to builders, owners, or purchasers of real estate to originate mortgage loans that will close in your name, classified by the type of property securing the loan.

**CC280: 1-4 Dwelling Units****CC290: 5 or More Dwelling Units****CC300: All Other Real Estate**

Report outstanding commitments to originate mortgage loans on nonresidential property and land.

**CC310: TO ORIGINATE NONMORTGAGE LOANS**

Report outstanding commitments to originate nonmortgage loans that will close in your name.

**CC320: TO PURCHASE LOANS**

Report outstanding commitments to purchase whole mortgage and nonmortgage loans and participating interests.

**CC330: TO SELL LOANS**

Report outstanding commitments to sell whole mortgage and nonmortgage loans and participating interests.

**CC335: TO PURCHASE MORTGAGE-BACKED SECURITIES**

Report outstanding commitments to purchase mortgage-backed securities of the types included on SC210 through SC222.

**CC355: TO SELL MORTGAGE-BACKED SECURITIES**

Report outstanding commitments to sell mortgage-backed securities of the types included on SC210 through SC222.

**CC365: TO PURCHASE INVESTMENT SECURITIES**

Report outstanding commitments to purchase investment securities of the types reported on SC130 through SC185.

**CC375: TO SELL INVESTMENT SECURITIES**

Report outstanding commitments to sell investment securities of the types reported on SC130 through SC185.

**LINES AND LETTERS OF CREDIT:****UNUSED LINES OF CREDIT:**

Report all unused lines of credit that you issue in connection with credit cards or open-end loans. **Unused lines of credit** are defined as the difference between the amount authorized by contract and the actual amount outstanding at quarter-end.

Do not include loans-in-process on constructions loans; report construction LIP on CC105.

**CC412: Revolving Open-End Loans On 1-4 Dwelling Units**

Report unused lines of credit on mortgage loans on 1-4 dwelling units for revolving, open-end loans (home equity lines of credit) reported on SC251.

**CC420: Commercial Lines**

Report unused lines of credit on nonmortgage commercial loans reported on SC300 and SC303.

**Open-End Consumer Lines:****CC423: Credit Cards**

Report unused lines of credit on consumer credit cards reported on SC328.

**CC425: Other**

Report unused lines of credit on consumer loans reported on SC330, including credit extended to individuals under prearranged overdraft plans.

**LETTERS OF CREDIT**

Report the undrawn portion of outstanding letters of credit at the end of the quarter. Do not report any other type of commitment. Report most other types of commitments on CC280 through CC375.

There are two classifications of letters of credit:

1. A **commercial letter of credit** is one where the issuer expects to pay drafts or other demands for payment.
2. A **standby letter of credit** is one where the issuer stands ready to pay in the unexpected event that the customer defaults or fails to perform on the underlying contract with the third party.

Do not include unused lines of credit.

**CC430: Commercial**

Report the undrawn portion of commercial letters of credit.

**CC435: Standby, Not Included on CC465 or CC468**

Report the undrawn portion of all standby letters of credit not included on CC465 or CC468. Include both collateralized and uncollateralized standby letters of credit.

**RECOURSE OBLIGATIONS AND DIRECT CREDIT  
SUBSTITUTES**

If you have recourse obligations, residual interests, credit-enhancing interest-only strips, subordinated securities, or direct credit substitutes, you should use the lines below to report these interests and the amount of assets that they enhance.

You may find it helpful to review the definitions in 12 CFR 567.1. While that section does not include a specific definition for subordinated securities, in context you should consider subordinated securities as a type of direct credit substitute.

You also use these lines to report exposures arising through a nonsecurity financial instrument under FASB Statement No. 140.

## **CC455: TOTAL PRINCIPAL AMOUNT OF ALL ASSETS COVERED BY RECURSE OBLIGATIONS OR DIRECT CREDIT SUBSTITUTES**

Report the outstanding principal balance of assets you enhance, fully or partially, by recourse obligations, credit-enhancing interest-only strips, residual interests, subordinated securities, or direct credit substitutes.

### **Include:**

1. The full amount of assets enhanced by your recourse obligations, requiring you to absorb credit losses on assets held by a third party.  
Example: If you sell \$1000 in loans, and agree to absorb the first 10% of losses, you report \$1000 on this line, and \$100 on line CC468.
2. The full amount of assets enhanced by your residual interests.  
Example: If you create and securitize a \$1000 pool of loans and you sell \$900 and retain a "first loss" residual interest of \$100, you report \$1,000 on this line and \$100 on line CC468.
3. The full amount of assets enhanced by your subordinated securities:  
Example: If you buy a subordinated security in a senior/subordinated structure, the total structure is \$1,000, and your subordinated security is \$200, you report \$1,000 on this line and \$200 on line CC465.
4. The full amount of assets enhanced by your letters of credit, or other direct credit substitutes, both collateralized and uncollateralized, to cover credit obligations of another party.  
Example: If you provide a simple line of credit of \$100 to another party, you report \$100 on this line, and \$100 on line CC465.  
Example: If you provide a line of credit of \$100 to another party that is available to enhance the other party's "first loss" or otherwise subordinate obligation on a \$1,000 loan pool, you report \$1000 on this line and \$100 on line CC465.

### **Do not Include:**

Positions subordinate to your own.

Example: If you have retained a \$100 mezzanine "second loss" security in a \$1000 pool of assets that you have securitized or purchased and you have sold the \$100 first loss security (subordinate to your security) and the \$800 security (senior to your security), you report \$900 on this line and \$100 on line CC468.

**CC465: AMOUNT OF DIRECT CREDIT SUBSTITUTES ON ASSETS IN  
CC455**

Include the amount of direct credit substitutes, including purchased credit-enhancing interest-only strips, purchased subordinated securities, and other similar exposures that you have purchased from another party.

Report the face amount of the exposure, residual, or security that you have purchased from another party, or the face amount of a letter of credit that you supply to another party. Refer to the examples in item 4, CC455 above.

**CC468: AMOUNT OF RECOURSE OBLIGATIONS ON ASSETS IN  
CC455**

Include the amount of recourse obligations, residuals, credit-enhancing interest-only strips, and subordinated securities that arise from your own securitization activities.

Report the face amount of the exposure, residual, or security that arises from your own securitization activities. Include letters of credit issued on behalf of affiliates or on behalf of any securitization trust that you have created. Refer to the examples under CC455 above.

**CC480: OTHER CONTINGENT LIABILITIES**

Report all contingent liabilities that you do not report elsewhere in this schedule or in Schedule SC.

**CC490: CONTINGENT ASSETS**

Report all contingent assets not reported elsewhere in this schedule or Schedule SC.